

Message Text

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PAGE 01 BUCAR 05688 281226Z

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SUBJ: CSCE BASKET II; CONGRESSIONAL REQUEST FOR INFORMATION

REF: STATE 233202

1. SUMMARY. GROWING DIVERGENCE EMERGING BETWEEN ROMANIAN PUBLIC COMPLIANCE WITH CSCE PROVISIONS ON ECONOMIC AND COMMERCIAL INFORMATION AND PRIVATE DISCLOSURES TO IMF/IBRD. THUS FAR, ROMANIANS HAVE MADE MODEST EFFORT TO DIVULGE MORE ECONOMIC AND COMMERCIAL INFORMATION IN BASIC DOCUMENTS. DESPITE PROGRESS, QUANTITY OF USEFUL DATA IN PUBLIC REALM REMAINS WOEFULLY INADEQUATE. IN CONTRAST IMF/IBRD HAVE MADE PERCEPTIBLE STRIDES IN THEIR EFFORTS TO EXTRACT DATA FROM GOR ON REASONABLY CURRENT BASIS. WE BELIEVE MOST USEFUL APPROACH TO COMPLIANCE QUESTION IS THROUGH BILATERAL ECONOMIC COMMISSION AND COUNCIL AND OTHER BILATERAL CONTACTS BUT REMINDING ROMANIANS THAT WE WILL BE MONITORING THIS AREA CLOSELY WITH EYE TO BELGRADE IN 1977. END SUMMARY.

2. ROMANIA'S TWO PRIMARY PUBLICATIONS OF ECONOMIC DATA, "STATISTICAL ANNUAL" (ANUARUL STATISTIC) AND "FOREIGN TRADE OF THE SOCIALIST REPUBLIC OF ROMANIA" ("COMERTUL EXTERIOR AL REPUBLICII SOCIALISTE ROMANIA") ARE EXPECTED TO APPEAR AT ANY MOMENT. WITHOUT THEM ANY ASSESSMENT MUST BE PROVISIONAL. FROM PUBLISHED RESULTS OF LAST FYP, FYP LAW FOR 1976-1980, ANNUAL PLAN FOR 1976, AND STATE BUDGET WE HAVE, HOWEVER, LIMITED OFFICIAL USE

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PAGE 02 BUCAR 05688 281226Z

REASONABLE SAMPLE FROM WHICH TO PROJECT ROMANIAN PERFORMANCE.

WE HAVE KEYED OUR RESPONSES BELOW TO INDIVIDUAL PARAGRAPHS OF CSCE SECTION WITH ADDITIONAL INFORMATION IN RESPONSE TO SENATOR HUMPHREY'S QUERIES PROVIDED IN PARA 3.

A. ECONOMIC AGGREGATES. FOUR PRINCIPAL POST-CSCE DOCUMENTS ("COMMUNIQUE REGARDING FULFILLMENT OF THE UNITARY PLAN OF SOCIO-ECONOMIC DEVELOPMENT FOR THE PERIOD 1971-1975," "LAW FOR THE ADOPTION OF THE UNITARY NATIONAL PLAN OF SOCIO-ECONOMIC DEVELOPMENT OF THE SOCIALIST REPUBLIC OF ROMANIA FOR THE YEAR 1976," "LAW FOR THE ADOPTION OF THE STATE BUDGET FOR THE YEAR 1976," AND "LAW FOR THE ADOPTION OF THE UNITARY NATIONAL PLAN OF SOCIO-ECONOMIC DEVELOPMENT OF THE SOCIALIST REPUBLIC OF ROMANIA FOR THE PERIOD 1976-1980") PLUS CEAUSESCU'S FEBRUARY 4 SPEECH TO CONGRESS OF JUDETI PEOPLE'S COUNCILS CONTAIN DATA ON BASIC AGGREGATES MINUS CONSUMPTION WHICH IS NOT GENERALLY AVAILABLE. MOST NOTABLE WAS FACT THAT CEAUSESCU'S SPEECH CONTAINED FOR THE FIRST TIME ABSOLUTE FIGURES RATHER THAN INDICES FOR NATIONAL INCOME AND INDUSTRIAL AND AGRECULTURAL PRODUCTION PROJECTING THESE BOTH FORWARD (TO 1980) AND BACKWARD (FOR FIVE YEAR INTERVALS BETWEEN 1950 AND 1975). FROM COMMENT OF ROMANIAN OFFICIALS WE GATHER THAT THIS WAS RESPONSE TO CSCE PROVISIONS.

B. FOREIGN TRADE. JUDGEMENT ON ADEQUACY OF FOREIGN TRADE DATA MUST AWAIT PUBLICATION OF ANNUAL VOLUME, BUT WE ARE DOUBTFUL THERE WILL, OR, IN FACT, CAN BE QUANTUM JUMP IN CURRENT DISMAL LEVEL OF INFORMATION. DATA IS PROVIDED ON COUNTRY-BY-PRODUCT AND PRODUCT-BY-COUNTRY BASIS BUT DE IL IS SLIGHT, CLASSIFICATION SCHEME UNFATHOMABLE, AND INDIVIDUAL COUNTRY IMPORT/EXPORT FIGURES RECORDED IN EITHER VALUE OR VOLUME TERMS (BUT NOT BOTH).

C. FOREIGN TRADE LAWS AND REGULATIONS. BASIC FOREIGN TRADE LAW HAS BEEN TRANSLATED AND IS REPUBLISHED FROM TIME TO TIME. THIS LAW IS UNFORTUNATELY TOO GENERAL TO BE OF MUCH HELP TO FOREIGN FIRMS. INNOVATION THIS YEAR HAS BEEN INCLUSION OF SUMMARY OF ARBITRATION AND INDUSTRIAL PROPERTY PROVISIONS IN TEXT OF PRIMER FOR FOREIGN BUSINESSMEN, "YOUR COMMERCIAL PARTNERS IN ROMANIA."

D. BOTH ANNUAL AND FIVE YEAR PLANS CONTAIN AUTHORITATIVE (ALTHOUGH ALWAYS SUBJECT TO REVISION) FORECASTS OF DEVELOPMENT PIN-POINTING SECTORAL EMPHASIS BUT IN INSUFFICIENT DETAIL TO BE BASIS FOR MARKET RESEARCH OR TO GUIDE TRADE PROMOTION LIMITED OFFICIAL USE

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PAGE 03 BUCAR 05688 281226Z

ACTIVITIES. THEY GIVE SUFFICIENT CLUES, HOWEVER, TO PERMIT US TO CONTACT RELEVANT MINISTRIES FOR ADVICE ON PRODUCT LINES OF INTEREST TO ROMANIA. INTERESTINGLY, WE THINK IT MAY HAVE BEEN PRESSURE OF THIS EMBASSY WHICH HAS PROMPTED GOR BELATEDLY TO TRANSLATE AND PUBLISH FYP LAW.

E. PERIODIC DIRECTORIES. "YOUR COMMERCIAL PARTNERS IN ROMANIA" HAS BEEN REVISED ON ALMOST ANNUAL BASIS IN RECENT YEARS. WHILE THIS PUBLICATION (AND VIRTUALLY ALL OTHERS IN ROMANIA)

LACK ORGANIZATION CHARTS, "YCPIR" DOES LIST ALL FTO'S AND PROVIDES FAIRLY COMPREHENSIVE CATALOGING OF PRODUCTS, TECHNOLOGIES, ETC. EACH FTO IMPORTS AND EXPORTS. MOREOVER, THIS HAS BEEN SUPPLEMENTED UNDER OUR INSISTENT PRESSURE WITH LIST (ALTHOUGH ONLY PARTIAL ONE) OF INDIVIDUALS IN MINISTRIES, FTO'S AND EVEN SOME INDUSTRIAL CENTRALS RESPONSIBLE FOR TRADE CONTACTS WITH U.S.

F. JOINT COMMISSIONS/CHAMBERS. THUS FAR NEITHER THE U.S.-ROMANIAN ECONOMIC COMMISSION NOR ROMANIAN-U.S. ECONOMIC COUNCIL HAS PROVEN PARTICULARLY EFFECTIVE INSTRUMENTS TO PROMOTE EXCHANGE OF BASIC DATA. THEY HAVE SERVED, HOWEVER, TO CLARIFY NUMBER OF QUESTIONS OF CONDITIONS FOR DOING BUSINESS IN ROMANIA. EXAMPLES ARE TRADE CONTACT LIST MENTIONED PREVIOUSLY AND GOR COMMITMENT TO PREPARE GUIDE RESPONDING TO QUESTIONS RAISED BY DEPARTMENT OF COMMERCE.

3. GENERAL INFORMATION ON ROMANIA'S COMPLIANCE WITH ECONOMIC AND COMMERCIAL INFORMATION PROVISIONS OF CSCE PROVIDED ABOVE APPEARS TO US TO RESPOND TO SENATOR HUMPHREY'S FIRST TWO QUESTIONS. IN ORDER IN WHICH THEY ARE POSED, WE HAVE FOLLOWING COMMENTS ON SENATOR'S REMAINING QUESTIONS:

A. AGRICULTURAL INFORMATION. ROMANIANS HAVE NOT YET PUBLISHED ADEQUATE MARKET AND CROP ASSESSMENTS AND FORECASTS. ARTICLES 1 AND 2 OF SEPTEMBER 11, 1975 BILATERAL "PROTOCOL ON DEVELOPMENT OF AGRICULTURAL TRADE" CALLING FOR EXCHANGE OF "AGRICULTURAL ECONOMIC INFORMATION INCLUDING STOCKS AND FORWARD ESTIMATES ON SUPPLY AND DEMAND AND TRADE IN MAJOR AGRICULTURAL COMMODITIES" AS WELL AS SUBMISSION BY NOVEMBER OF EACH YEAR OF ROMANIA'S PLANNED IMPORT NEEDS ARE YET TO BE IMPLEMENTED DESPITE CONTINUOUS PRODDINGS ON OUR PART. NONETHELESS, IN COURSE OF FREQUENT VISITS BY AGATT FROM BELGRADE AND USDA OFFICIALS HERE, ROMANIANS HAVE BEEN REASONABLY FORTHCOMING ON CURRENT CROP PICTURE.

B. COMPLIANCE. IN THIS CENTRALLY-PLANNED ECONOMY ROMANIANS LIMITED OFFICIAL USE

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PAGE 04 BUCAR 05688 281226Z

OBVIOUSLY COLLECT ENORMOUS QUANTITIES OF USEFUL DATA WHICH THEY UNWILLING TO DIVULGE. WE SUSPECT, HOWEVER, FROM NUMBER OF CURSORY DISCUSSIONS ABOUT ECONOMIC PLANNING THAT DATA COLLECTION EFFORT IS SLOW AND THAT DATA PROCESSING CAPABILITIES ARE LIMITED. WE THEREFORE HAVE IMPRESSION THAT ROMANIANS FACE REAL PHYSICAL AS WELL AS BASIC POLICY PROBLEMS IN DRAMATICALLY INCREASING THEIR INFORMATION FLOW IN SHORT RUN. ON BASIS OF THIS HYPOTHESIS OUR APPROACH WOULD BE TO KEEP UP INSISTENT PRESSURE TO PUBLISH MORE DATA, ACKNOWLEDGING EFFORTS MADE BUT DOCUMENTING SHORTFALLS AND URGING ADEQUATE COMPLIANCE IN ECONOMIC COMMISSION AND AGRICULTURAL WORKING GROUP. IN CONTEXT OF OUR DIALOGUE WITH ROMANIA ON CSCE ISSUES AND BELGRADE WE WOULD ALSO POINT OUT OUR DISAPPOINTMENT AND INDICATE POSSIBILITY OF OUR RAISING THIS ISSUE UNLESS PROGRESS QUICKENS.

C. ADDITIONAL DATA NEEDS. WE SHOULD BE PRESSING FOR MORE

DETAILED SECTORAL DEVELOPMENT PLANS WHICH GO BEYOND "GENERAL ORIENTATION OF NATIONAL ECONOMIC PLANS AND PROGRAMS." ONLY WITH THIS MORE DETAILED INFORMATION CAN OUR BUSINESS COMMUNITY ASSESS TRADE PROSPECTS. IN ADDITION, WE SHOULD URGE PUBLIC DISCLOSURE OF BALANCE OF PAYMENTS DATA PRESENTLY SUBMITTED TO IMF/IBRD AS MEASURE TO PROMOTE INVESTOR/TRADER CONFIDENCE.
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